

STANDARD FORM NO. 64
Office Memorandum • SECURITY INFORMATION • UNITED STATES GOVERNMENT

TO : Chairman, Projects Review Committee

FROM : Assistant Director for Research and Reports

SUBJECT: Financial support for the Office of Foreign Agricultural Relations, United States Department of Agriculture for assistance in the assembly and analysis of information required for NIE-56.

DATE: DEC 21 1951

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A. Policy and Program Authorization

The attached submission (Appendix A) proposes financial support to the Office of Foreign Agricultural Relations, Department of Agriculture, for assistance in the assembly and analysis of information required for NIE-56.

The project is in accord with Agency policy for coordination of economic intelligence through use of the facilities of Federal Agencies and other institutions producing such information.

B. Proposed project

Informal discussions with the Office of Foreign Agricultural Relations, Department of Agriculture, disclose that its facilities can provide sufficient data for analysts to determine the effect of the loss of agricultural commodities from

The Near and Middle East
Far East
India, Pakistan, and Ceylon
Africa
Latin America upon the security
of the United States,

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the allies of the United States (the NATO Countries, [REDACTED], [REDACTED] New Zealand, and [REDACTED]), and the countries in the security orbit of the United States. However, lack of resources to employ necessary personnel to perform the required work prevents proper exploitation of the data for CIA purposes. Therefore, it is proposed that an agreement be reached with the Office of Foreign Agricultural Relations, providing for the use of CIA funds to support the personnel needed to make an analysis and evaluation of this essential data.

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SECURITY INFORMATION

TO: Chairman, Projects Review Committee

Page two

C. Support

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In support of the proposal, it is estimated that a total of [REDACTED] will be required for the period 1 July 1952 - 30 June 1952. (See Appendix B) *JANK.*

It is planned to have [REDACTED] Chief, Food and Agricultural Branch, ORR, act as the representative of the AD/RR to insure that the project is properly carried out and that the final production meets CIA requirements. 25X1A9a

D. Coordination

Terms of reference have been coordinated with the Office of Foreign Agricultural Relations and they can meet requirements.

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Enclosures: 2
Appendix A
Appendix B

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S/Ad/RR/[REDACTED]/eat

Distribution:

- Orig and 1 - Addressee
- 2 - Comptroller
- 1 - S/Ad/RR
- 1 - D/M/RR
- 2 - OAD/RR

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TERMS OF REFERENCE

The project will examine the economic importance of five areas to the US, our allies, and other non-Communist areas within the Orbit of US security interests. These areas will be considered separately in the following order of priority. The project will be in two stages -- consideration of the first three areas listed constituting Stage I and consideration of the last two areas constituting Stage II.

Stage I

- 25X6A (1) The Near and Middle East, including Egypt, Anglo Egyptian Sudan, Iraq, Jordan, Syria, Lebanon, Saudi Arabia, Iran, Turkey, and Afghanistan;
- 25X6A (2) Far East, including South Korea, Taiwan, the Philippines, mainland Southeast Asia, Indonesia, and New Zealand;
- 25X6A (3) India-Pakistan-Ceylon.

Stage II

- (4) Africa, except Egypt, Anglo Egyptian Sudan, and French North Africa.
- (5) Latin America.

The immediate project should focus on fiscal years 1952, 1953, and 1954, although more long-range factors should be considered.

Economic Importance of Five AreasStage I - Consideration of Near and Middle East, Far East, and India-Pakistan-Ceylon.A. Areas of Dependence Considered:

- 25X6A 1. First, consideration will be given to the economic resources of the area of actual or potential strategic importance to the US.
2. Second, consideration will be given to US allies including NATO countries (including Turkey and Greece), New Zealand, and
3. Third, consideration will be given to non-Communist countries in other areas that are not allies of the US but are within the orbit of US security interests, including Finland, Yugoslavia, Spain, Sweden, Switzerland, the countries of the Near and Middle East, India, and Pakistan. Also, consideration must be given the more important countries of Latin America and Africa.

B. List of Commodities

The following list of items of actual or potential importance will be considered. This list is subject to revision:

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SECURITY INFORMATION

Exportable Commodities Important to:

	<u>US</u>	<u>Allies</u>	<u>Other Non-Communist</u>
1. <u>Near and Middle East</u>			
Cotton, extra long staple <u>a/</u>	x	x	x
Grain, other than rice <u>b/</u>		x	x
Rice <u>b/</u>		x	x
Tobacco <u>b/</u>	x	x	x
Opium <u>a/</u>	x	x	x
2. <u>Far East</u>			
Bristles <u>a/</u>	x	x	x
Coconut Oil and Copra <u>a/</u>	x	x	x
Abaca <u>a/</u>	x	x	x
Sisal <u>a/</u>	x	x	x
Palm Oil <u>a/</u>	x	x	x
Silk <u>a/</u>	x	x	x
Apparel Wool <u>a/</u>	x	x	x
Pepper <u>b/</u>	x	x	x
Leather and Hides <u>b/</u>	x	x	x
Rice <u>b/</u>		x	x
Grain, other than rice <u>b/</u>		x	x
Meat <u>b/</u>		x	x
Dairy Products <u>b/</u>		x	x
Sugar <u>b/</u>		x	x
Tea <u>b/</u>	x	x	x
Opium <u>a/</u>	x	x	x
Cinchona bark (incl. quinine & quinidine) <u>a/</u>	x	x	x
Hyoscine <u>a/</u>	x	x	x
3. <u>India-Pak-Ceylon</u>			
Coconut Oil and Copra <u>a/</u>	x	x	x
Pepper <u>b/</u>	x	x	x
Jute and Burlap <u>b/</u>	x	x	x
Tea <u>b/</u>	x	x	x
Grain, other than rice <u>b/</u>		x	x
Cotton <u>b/</u>		x	x

a/ On strategic list. b/ Other important Commodities.

C. Extent, availability, and location of these commodities by countries.

Production and/or export surplus for each country and commodity covered in Stage I, estimated for project dates and such comparison dates or periods as the Department of Agriculture and the Agricultural Subcommittee may decide. These comparison periods might include, depending on the commodity or the area being considered, the following:

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1. Pre-World War II average.
2. World War II average.
3. Post-World War II average or two or three of the most recent individual years.

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It will be necessary, in many instances, in order to accurately depict the export surplus situation of a particular commodity in a particular country to supply additional information to that indicated above. For example, before arriving at the net exportable surpluses for any country or region, from the standpoint of the US or certain allies, it is necessary to take appropriate account of intra-regional trade, and to take account of trade with certain traditional customers which might have first call on the exportable surplus. These and other special considerations with regard to the availability of the items listed must be given due consideration in the project.

D. The degree to which the US depends on the commodities listed in b. above.

1. For current US needs.
2. For stockpiling against event of general war.
3. For anticipated US contributions to allies.

To accomplish the above, a table, modeled after the following, will be required for each commodity listed in paragraph b., and for each of the fiscal years 1951-52, 1952-53, and 1953-54.

<u>Commodity</u>		<u>Year</u>	
		<u>1/</u>	
		<u>Quantity (000 MT)</u>	
		<u>For : Stockpiling :</u>	
<u>Item</u>	<u>Current :</u>	<u>US Require-</u>	<u>Percent "Total" is of:</u>
	<u>Needs</u>	<u>ments</u>	<u>Total US: Total US Re-</u>
		<u>: Allies: Total:</u>	<u>Imports: quirements :</u>
1. US Imports (From all Stage I exporting countries named above/ <u>listing only pertinent individual countries</u> / grouped according to the three Stage I groups, with group totals.)			
2. Imports from all other sources.			
3. Total Imports.			
4. US Production			
5. Total Requirements.			

1/ The unit may vary depending on the commodity. Where trade is small tonnage-wise, but of high importance, a different unit - probably metric tons - should be used.

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E. The degree to which allies of the US depend upon the above commodities.

For each country included in paragraph A-2 above, tables of exactly the same type as set forth in paragraph D. above will be required (except that the item "Stockpiling" will not be broken down as in the US table). Summary tables for certain groups of allies (such as Continental Europe/NATO countries) and for the total group of allies will be required.

F. Outstanding Respects in which other non-Communist countries depend on the above commodities.

For each country listed in paragraph A-3 above, tables of type set forth in D. and E. above are required, including such summary tables for the whole group or individual groups of countries as may be deemed appropriate.

Stage II - Consideration of Africa and Latin America.

A. Areas of Dependence Considered.
(Same as Stage I)

B. List of Commodities:

The following list of commodities is to be considered. This list is subject to revision:

	<u>Exportable Commodities Important to:</u>		
	<u>US</u>	<u>Allies</u>	<u>Other Non-Communist</u>
4. <u>Africa</u>			
Sisal and Henequen <u>a/</u>	X	X	X
Coconut Oil and Copra <u>a/</u>	X	X	X
Palm Kernel Oil and Nuts and Palm Oil <u>a/</u>	X	X	X
Hides and Skins <u>b/</u>	X	X	X
Cocoa <u>b/</u>	X	X	X
Peanut Oil <u>b/</u>	X	X	X
Wool <u>b/</u>	X	X	X
Pyrethrum <u>a/</u>	X	X	X
5. <u>Latin America</u>			
Abaca <u>a/</u>	X	X	X
Sisal and Henequen <u>a/</u>	X	X	X
Castor Oil - Beans <u>a/</u>	X	X	X
Coconut Oil and Copra <u>a/</u>	X	X	X
Palm Kernel Oil and Nuts <u>a/</u>	X	X	X
Sperm Oil <u>a/</u>	X		X
Hides and Skins <u>b/</u>	X	X	X
Bristles, hog <u>a/</u>	X	X	X
Coffee <u>b/</u>	X	X	X
Flaxseed <u>b/</u>		X	X
Sugar <u>b/</u>	X	X	X
Meat <u>b/</u>	X	X	X
Wool <u>b/</u>	X	X	X

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Exportable Commodities Important to:

	<u>US</u>	<u>Allies</u>	<u>Other Non-Communist</u>
5. <u>Latin America</u> (Cont'd)			
Cocoa b/	x	x	x
Cotton b/		x	x
Grains, other than rice b/		x	x
Rice		x	x
Cinchona bark (incl. quinine and quinidine)	x	x	x

a/ On strategic list. b/ Other important commodities.

C. Extent, availability, and location of these commodities by countries.

(Same as Stage I)

D. The degree to which the US depends on the commodities listed in b. above.

(Same as Stage I)

E. The degree to which allies of the US depend upon above commodities.

(Same as Stage I)

F. Outstanding respects in which other non-Communist countries depend on the above commodities.

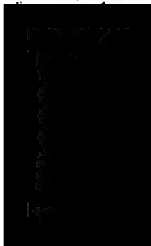
(Same as Stage I)

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ITEMIZATION OF COST ESTIMATE:
(Period 1 ~~July~~ 1952-30 June, 1952)
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<u>Personal services:</u>	<u>No.</u>	<u>Grade</u>	<u>6 months cost</u>
	3	GS-12	
	1	GS-11	
	1	GS-9	
	1	GS-7	
	3	GS-5	
	3	GS-4	
	<u>12</u>		

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Administrative expenses:

On basis of past experience
estimated at 7% of gross personnel
costs.....

Total.....

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(Vouchered funds)

Note: Above estimate is based on information furnished by
Mr. Clarence Purves (Code 161, Ext.5026) of the
Department of Agriculture, who will administer this
project.

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